



CFA Society
Minnesota

October 2013

The 2013 Financial Compensation Survey Findings and Results



Dear Colleague,

As the premier professional organization for investment professionals in the Twin Cities and upper Midwest, CFA Society Minnesota is dedicated to being a reliable and trustworthy source of information. We strive to serve our members and the broader investment community by providing them the resources to aide in their career development and advancement.

We are excited to announce the highly anticipated return of the Financial Compensation Survey this year. This survey, which had been absent in the market since 2007, provides a region-specific analysis of compensation levels for investment and financial professionals. This document captures the findings of this survey, providing an overview of the survey-wide results.

For those who participated in the survey, thank you for your contribution to this important market resource. I am confident the information shared in this document will be of value to you.

Regards,



Kim Brustuen, CFA

President, CFA Society Minnesota

Executive Summary

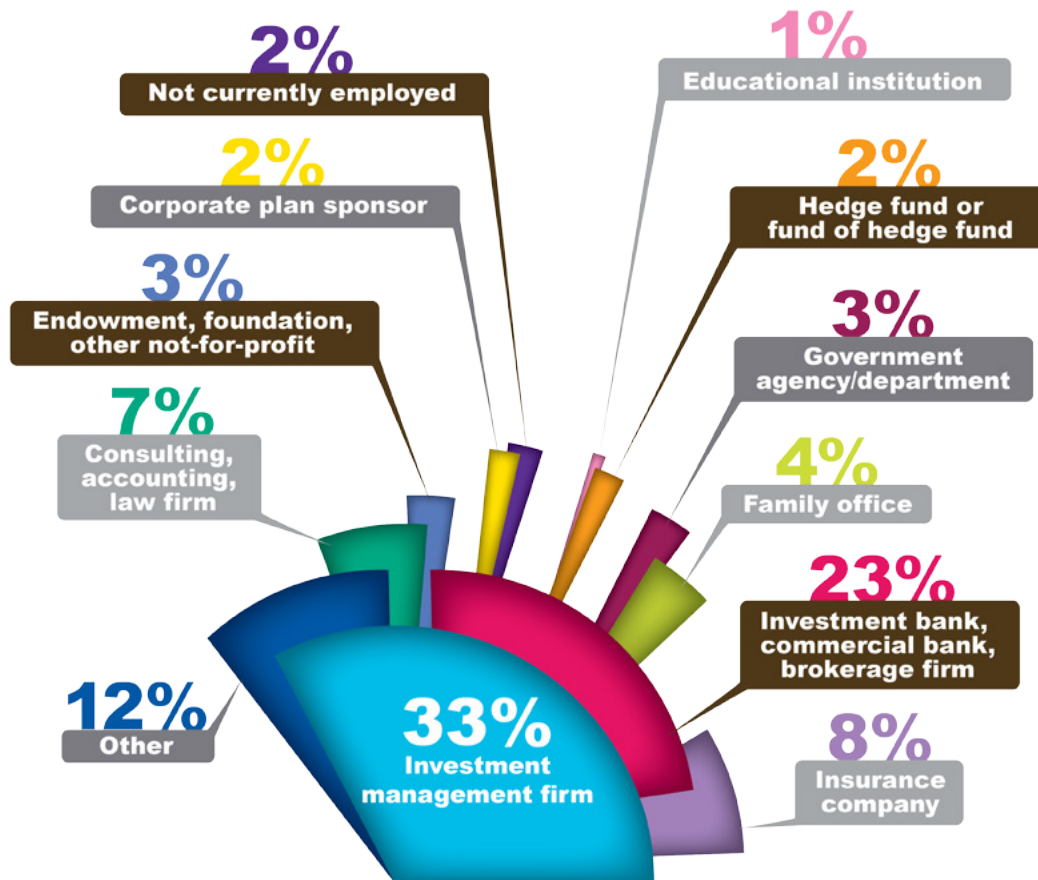
Access to accurate and data-driven information plays a significant role in the ability of financial and investment professionals to effectively perform in their careers. The same is true to successfully advance one's career. However, since 2007 this source of data has been missing, spurring the deployment of the Financial Compensation Survey, by CFA Society Minnesota.

This primary research examines the impact of variables (e.g., tenure, title, CFA designation, education, et al.) on compensation levels.

Given the imperative to accurately, albeit broadly, define compensation levels of financial professionals in the Twin Cities and upper Midwest, CFA Society Minnesota conducted a self-reporting survey. This primary research examines the impact of variables (e.g., tenure, title, CFA designation, education, et al.) on compensation levels. In addition, compensation components and desired pay structure were captured, as were annual salary change data. The results are meant to provide a general snapshot of the current state of the market. Deeper data requests can be made by contacting CFA Society Minnesota.

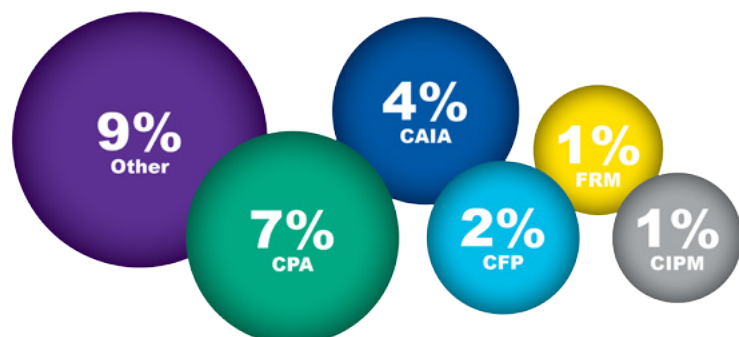


Organization Type



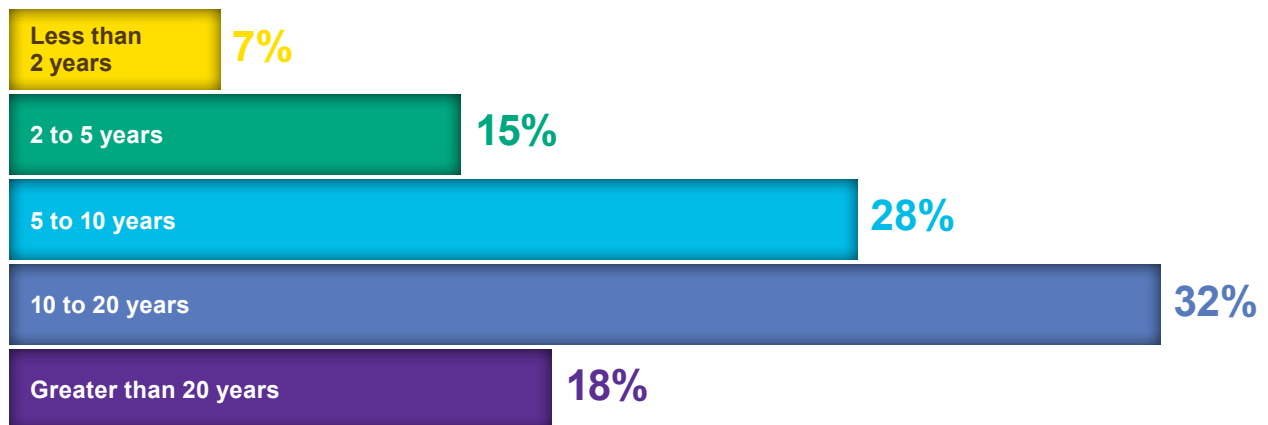
532 financial professionals from Minnesota, North Dakota, South Dakota, and Western Wisconsin region participated in the survey.

Other Professional Certifications

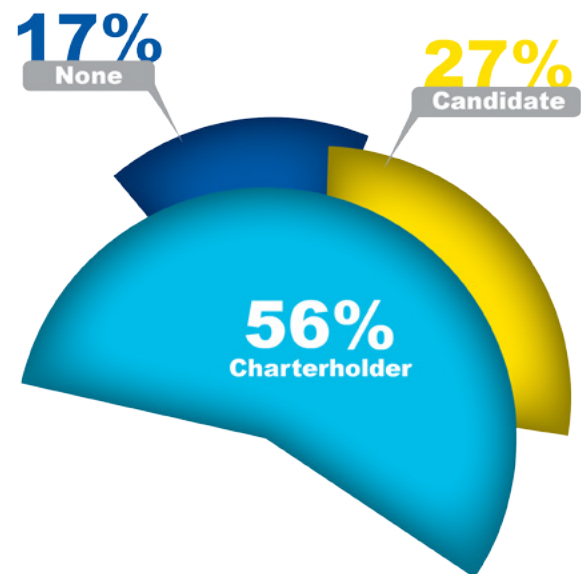




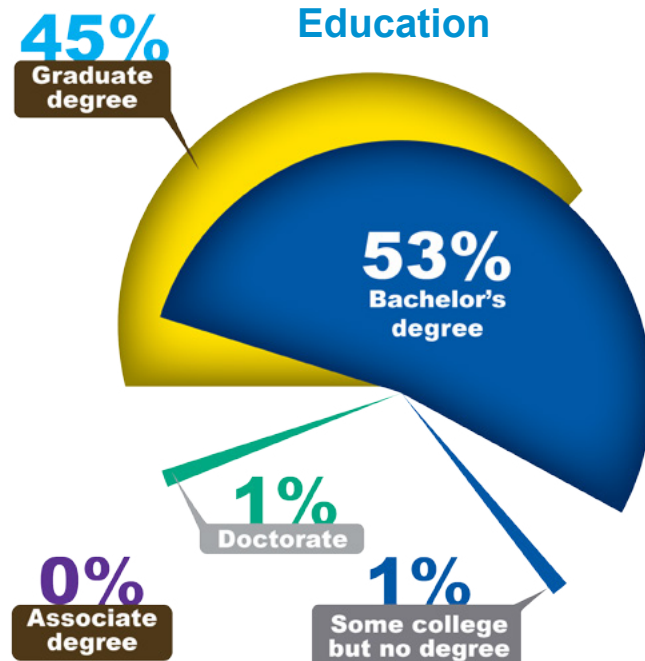
Years of Experience



Charterholder Status



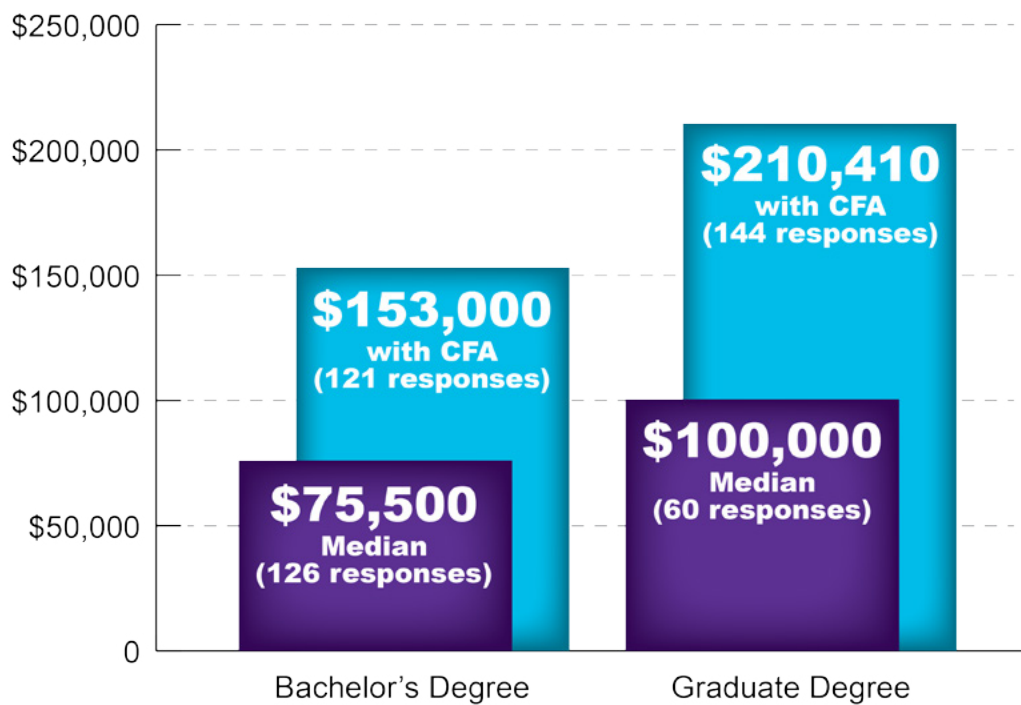
Education





Education and Designations

Median Total Compensation for 2012 by Education



Median total compensation averages were based on the responses from 451 financial professionals from the Twin Cities and upper Midwest.



Reported Median Total Compensation by Years of Experience for Selected Occupations

	Less than 5 Years Experience	N	5 to 10 Years Experience	N	10+ Years Experience	N
Portfolio manager (equities)			147,500	10	260,576	30
Portfolio manager (fixed income)					400,000	15
Portfolio manager (indexed/other)			100,000	5	140,000	7
Buy-side research analyst (equity)	86,375	8	104,000	6	347,500	6
Buy-side research analyst (fixed income)	99,000	9	177,500	14	282,000	13
Financial advisor/broker			85,000	11	174,000	11
Investment banker						
Sell-side research analyst (equity)	60,000	7				
Manager of managers			110,000	11	154,000	22
Consultant	54,000	9	101,000	9	162,500	18
Accountant/auditor	65,000	11	78,000	5	169,000	5
Performance analyst	54,250	12	72,000	7		
Chief investment officer					425,000	19
Buy-side research analyst (other)			96,000	7		
Institutional sales representative/ relationship manager					450,000	9
Strategist			110,000	7		
Risk manager	92,000	5	92,000	5	88,000	5
Chief executive officer/ Chief financial officer					256,500	10
Private client professional (other)			88,000	5		
Buy-side trader (equity)					144,000	7

Chart includes responses for occupations with 10 or more survey responses; cells in gray represent 5 or fewer responses.



Reported Median Base Compensation by Years of Experience for Selected Occupations

	Less than 5 Years Experience	N	5 to 10 Years Experience	N	10+ Years Experience	N
Portfolio manager (equities)			106,800	10	72,500	28
Portfolio manager (fixed income)					175,000	15
Portfolio manager (indexed/other)			79,500	5	118,000	7
Buy-side research analyst (equity)	67,000	8	77,500	6	161,000	6
Buy-side research analyst (fixed income)	73,500	10	107,000	14	153,000	13
Financial advisor/broker			69,500	12	125,000	11
Investment banker	60,000	5				
Sell-side research analyst (equity)	60,000	8				
Manager of managers			97,500	11	132,500	22
Consultant	52,000	11	89,800	9	122,500	18
Accountant/auditor	63,500	12	75,000	5	120,000	5
Performance analyst	56,250	12	65,000	7		
Chief investment officer					250,000	19
Buy-side research analyst (other)			90,000	7		
Institutional sales representative/ relationship manager					125,000	9
Strategist			110,000	7	100,000	5
Risk manager	83,000	5	82,917	5	80,000	5
Chief executive officer/ Chief financial officer					162,500	10
Private client professional (other)			70,400	5		
Buy-side trader (equity)					90,000	7



Reported Median Cash Bonus by Years of Experience for Selected Occupations

	Less than 5 Years Experience	N	5 to 10 Years Experience	N	10+ Years Experience	N
Portfolio manager (equities)			49,500	10	150,000	29
Portfolio manager (fixed income)					160,000	14
Portfolio manager (indexed/other)					22,000	5
Buy-side research analyst (equity)	25,000	7	23,500	6	85,000	6
Buy-side research analyst (fixed income)	22,950	8	83,500	14	131,000	13
Financial advisor/broker			10,000	9	85,500	8
Investment banker						
Sell-side research analyst (equity)	16,250	6				
Manager of managers			15,500	8	35,000	22
Consultant	4,000	9	15,000	8	17,000	18
Accountant/auditor	3,500	8	9,500	5	37,000	5
Performance analyst	2,750	10	5,500	5		
Chief investment officer					115,000	16
Buy-side research analyst (other)			10,000	5		
Institutional sales representative/ relationship manager					202,000	9
Strategist			14,500	7		
Risk manager	10,000	5	9,900	5	12,000	5
Chief executive officer/ Chief financial officer					36,000	8
Private client professional (other)			11,000	5		
Buy-side trader (equity)					33,000	7

If respondent answered “yes” to being eligible for a cash bonus and provided a bonus figure of 0, this was included in the median cash bonus calculation.



Median Total Compensation by Occupation

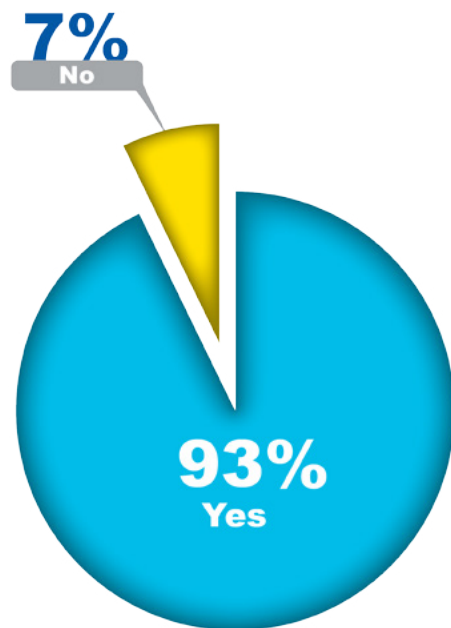
	Base	N	Bonus	N	Total Compensation	N
Portfolio manager (equities)	150,000	42	60,000	42	190,000	43
75th Percentile	165,000		105,750		302,000	
Portfolio manager (fixed income)	160,750	22	115,000	20	307,500	22
75th Percentile	196,250		243,750		500,000	
Portfolio manager (indexed/other)	93,543	14	18,850	13	114,384	14
75th Percentile	119,500		36,000		150,125	
Buy-side research analyst (equity)	90,000	20	25,000	20	122,500	20
75th Percentile	126,250		58,750		210,750	
Buy-side research analyst (fixed income)	110,000	37	75,000	37	188,500	36
75th Percentile	130,000		100,000		265,500	
Financial advisor/broker	69,500	26	23,250	20	100,000	24
75th Percentile	118,750		80,750		230,500	
Investment banker	100,000	13	25,000	12	120,000	11
75th Percentile	135,000		100,000		230,000	
Sell-side research analyst (equity)	60,000	11	12,000	9	72,000	9
75th Percentile	82,500		25,000		135,000	
Manager of managers	110,500	36	24,000	31	136,350	36
75th Percentile	141,250		45,000		178,500	
Consultant	94,500	38	15,000	35	104,750	36
75th Percentile	120,000		21,000		158,750	
Accountant/auditor	70,000	22	5,100	19	75,000	21
75th Percentile	87,600		15,500		105,000	
Performance analyst	63,000	21	5,000	17	65,000	21
75th Percentile	72,000		7,050		75,000	



Median Total Compensation by Occupation

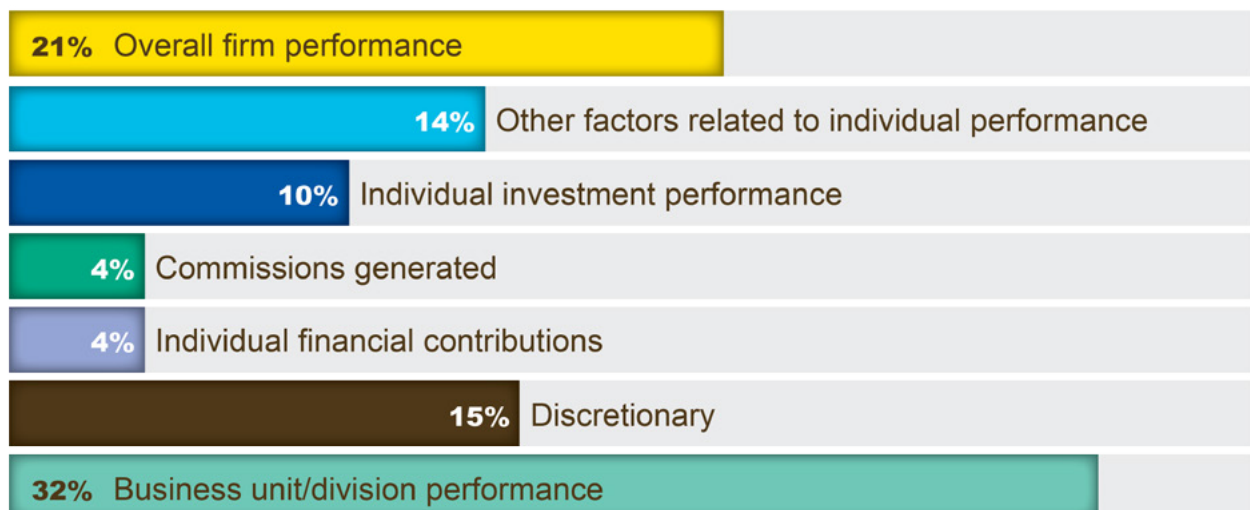
	Base	N	Bonus	N	Total Compensation	N
Chief investment officer	225,000	20	90,000	17	425,000	20
75th Percentile	310,000		210,000		597,500	
Buy-side research analyst (other)	90,000	14	9,760	12	99,500	14
75th Percentile	136,250		33,500		162,750	
Institutional sales representative/ relationship manager	95,000	16	55,000	16	380,000	15
75th Percentile	128,750		226,500		462,500	
Strategist	100,000	13	15,000	10	125,000	11
75th Percentile	110,000		27,500		133,500	
Risk manager	82,917	15	10,000	15	92,000	15
75th Percentile	105,000		16,000		132,500	
Chief executive officer/Chief financial officer	162,500	10	36,000	8	256,500	10
75th Percentile	215,000		83,250		282,500	
Private client professional (other)	70,400	11	14,250	10	91,000	10
75th Percentile	126,500		36,500		203,625	
Buy-side trader (equity)	77,500	10	25,000	10	110,000	10
75th Percentile	93,000		34,500		145,500	

The 75th Percentile was calculated using the inclusive methodology to increase the number of responses that were observed in each calculation.



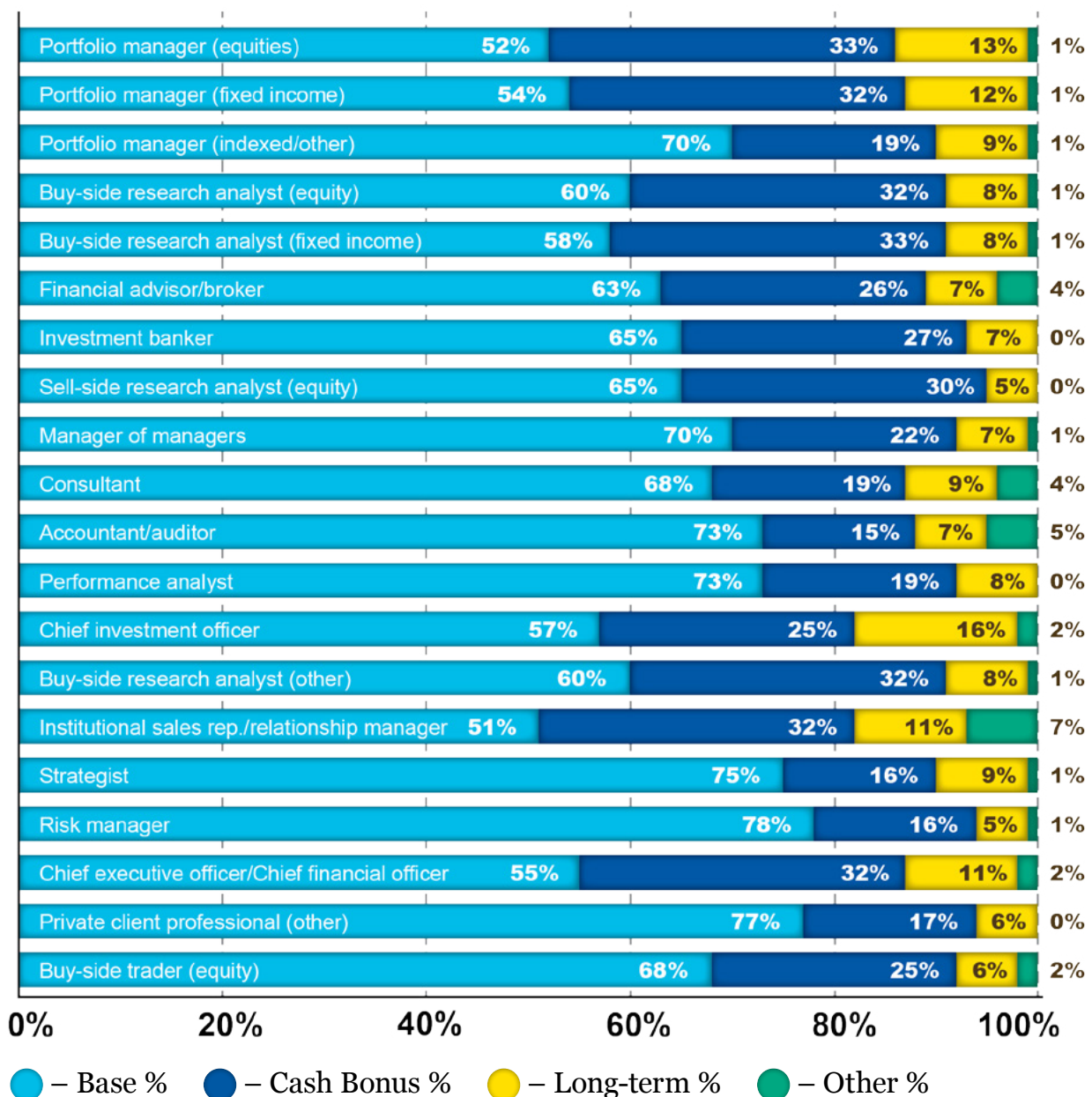
Eligible for a Cash Bonus in 2012

What's the Primary Determinant of Your Cash Bonus?



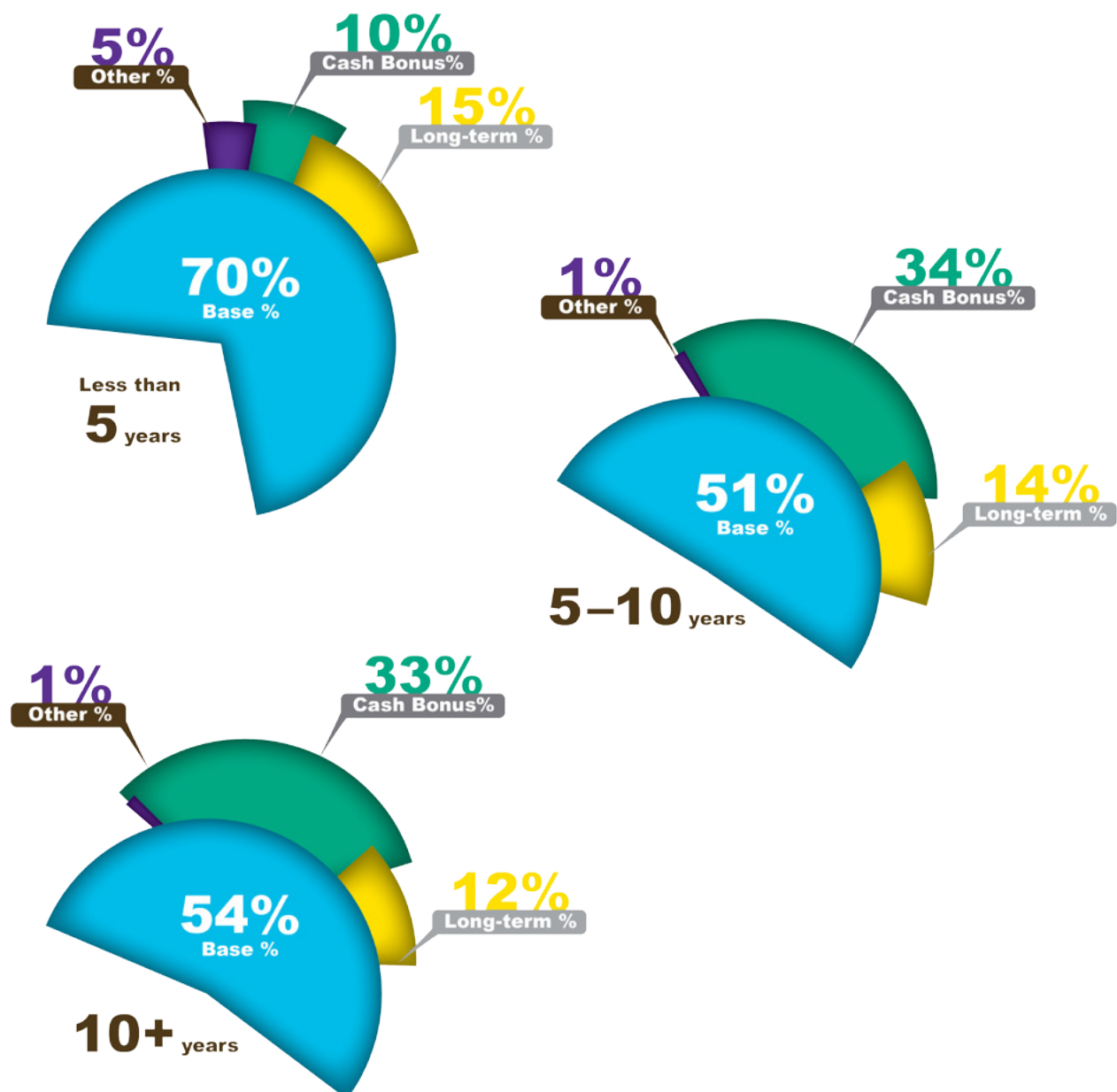


Average Ideal Compensation Structure for Selected Occupations



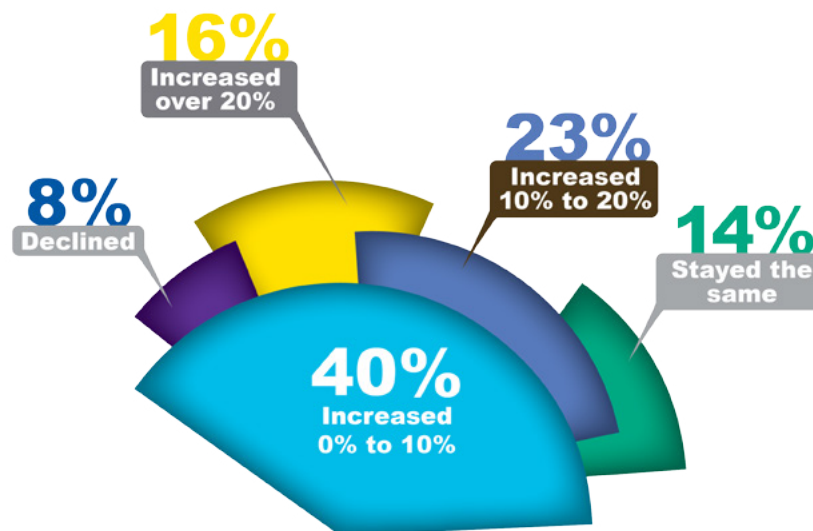


Ideal Compensation Structure by Years of Experience for Selected Occupations

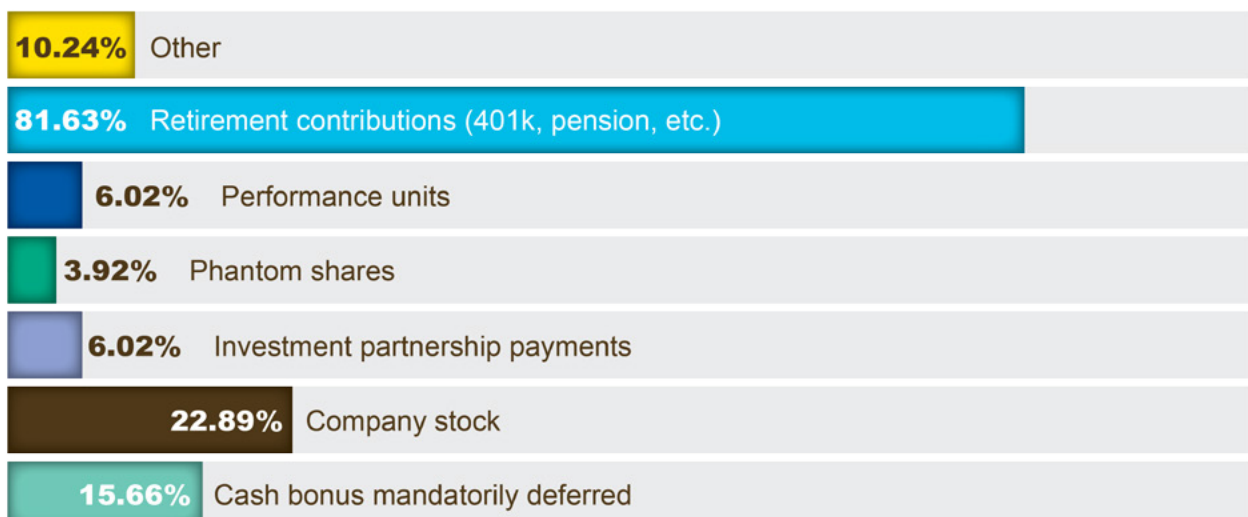




Reported Change in Total Compensation from 2011 to 2012

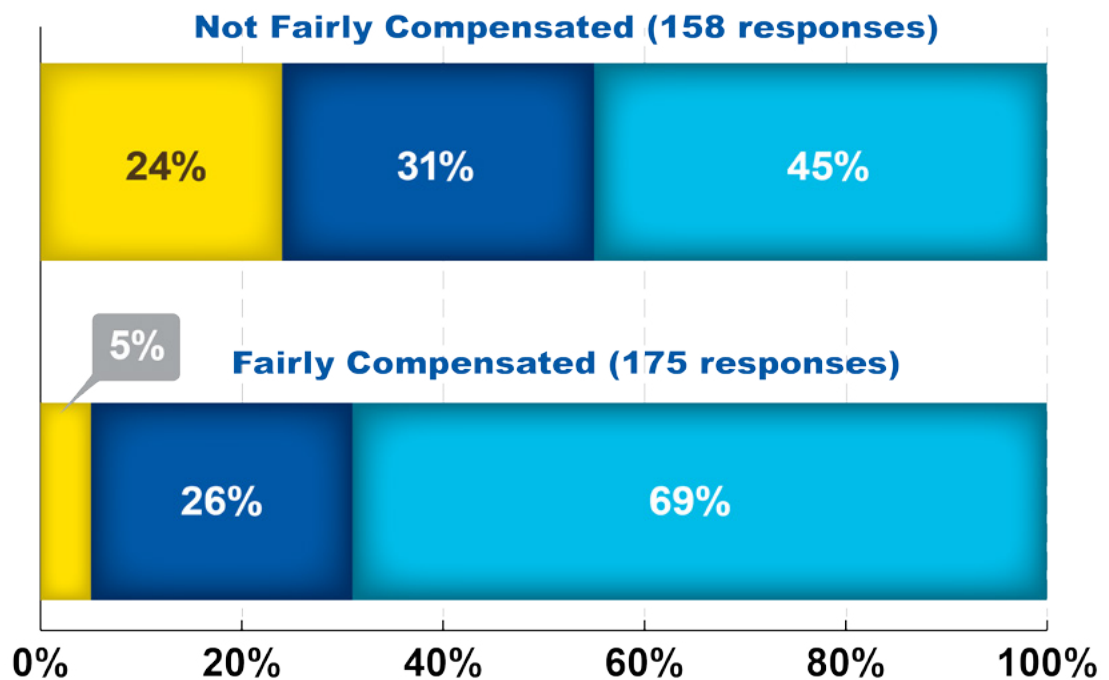


Other Forms of Compensation





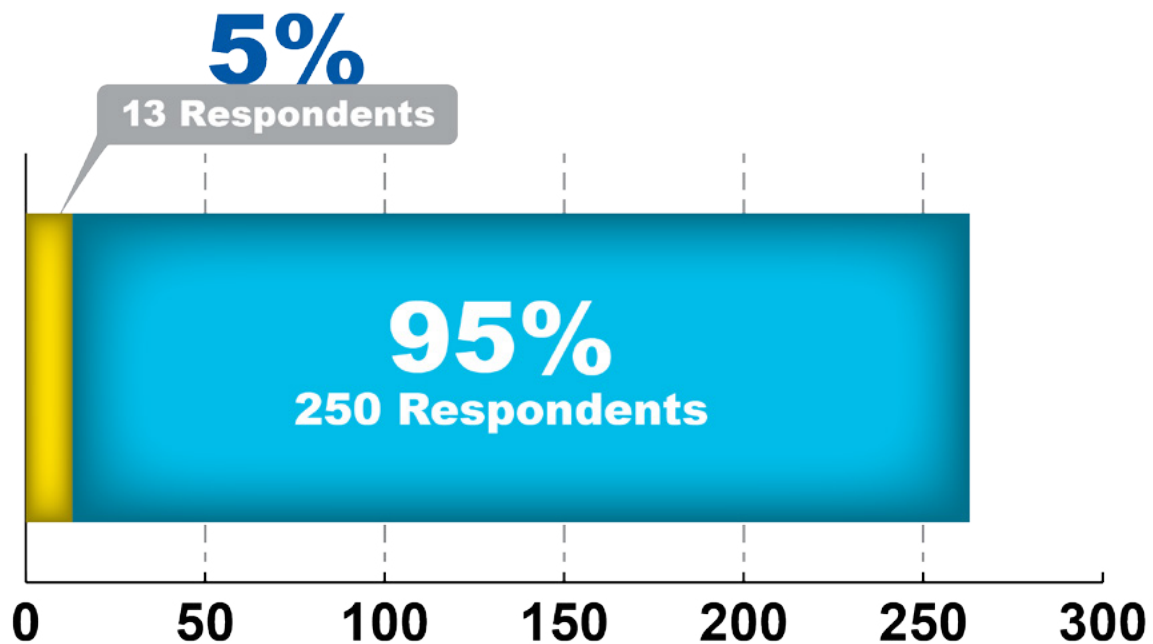
Are you fairly compensated?



- – Less than 5 years
- – 5 to less than 10 years
- – 10+ years



The Value of the CFA® Designation



- – Earning CFA® Charter Has Not Helped Career
- – Earning CFA® Charter Has Helped Career

Survey Methodology

Method—An online survey was deployed to known financial professionals in the Twin Cities and upper Midwest. Email subscribers of CFA Society Minnesota and CFA Society Minnesota LinkedIn group members were specifically targeted; however the survey was not limited to this audience. Additional financial-oriented organizations distributed the survey to their members. This survey was structured so all data gathered was anonymous, with no identifiable information requested or retained.

Respondents—Respondents are self-identified financial and investment professionals in the Twin Cities and greater Minnesota, Western Wisconsin, and North and South Dakota. The total sample size is [532] unique responses. Some metrics reported include subsections of the total sample size which adjusts for incomplete data.

Timing—The survey was active from May 1, 2013–May 18, 2013.

Assumptions—The findings from this survey were compiled from self-reported data. Because the survey uses sampling methodology and broadly defined positions, survey findings are not necessarily representative of the total population. As such, the survey is designed to provide general information about pay levels within the region. Earning any degree or professional designation is no guarantee of employment or compensation.

About CFA Society Minnesota

CFA Society Minnesota is the premier professional organization for investment professionals to connect with Chartered Financial Analysts in the Twin Cities area and throughout the Midwest five-state region. With members in five states and a wide variety of industries, CFA Society Minnesota strives to serve its broad membership through relevant educational programming, membership support services and opportunities for advancement such as networking events and discounts on educational materials.

If you are interested in learning more about earning your charter, or CFA Society Minnesota, contact us today.

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